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The Comptroller General  
of the United States

Washington, D.C. 20548

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## Decision

**Matter of:** Ocean Technology, Inc.  
**File:** B-236470  
**Date:** August 29, 1989

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### DIGEST

An agency may accept a proposal that offers the lowest overall cost to the government even though the offer may have expired and the agency is not required to issue a formal amendment requesting extension of offers.

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### DECISION

Ocean Technology, Inc., protests award of a contract to MRC under request for proposals No. N66604-89-R-0039, issued by the Naval Underwater Systems Center (NUSC) for engineering services for heavyweight torpedo programs.

We dismiss the protest under 4 C.F.R. § 21.3(m) (1988).

(Ocean Technology) protests the award of a contract to MRC because a formal amendment was not issued requesting the extension of offers and award was made after offers expired. Ocean Technology contends that award to MRC without a formal extension of the offer's acceptance date and a verification of current cost and pricing data was arbitrary.

The Navy has presented evidence showing that all three offerors, including Ocean Technology, extended the acceptance date of their offers. Ocean Technology's offer was extended by an employee listed as the point of contact for questions concerning Ocean Technology's proposal who was also one of the personnel authorized to conduct solicitation/contract administration functions on behalf of Ocean Technology. Ocean Technology, however, now disputes that this employee had the requisite authority to extend its offer.

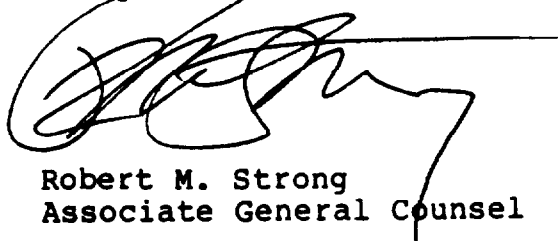
The solicitation provided that award may be made on the basis of initial offers received without discussions. The Navy states that it made an award to the offeror who submitted the most favorable initial proposal, at the lowest overall cost to the government.

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Under the Competition in Contracting Act of 1984, 10 U.S.C. § 2305(b)(4)(A)(ii) (Supp. IV 1986), as implemented by Federal Acquisition Regulation (FAR) § 15.610(a)(3), a contracting agency may award a contract on the basis of initial proposals where the solicitation advises offerors of that possibility, discussions are not held, and the competition or prior cost experience clearly demonstrates that acceptance of an initial proposal will result in the lowest overall cost to the government. Glar-Ban, B-225709, Apr. 14, 1987, 87-1 CPD ¶ 406. Additionally, we have held that even though the awardee's offer has expired, it is not improper for an agency to accept an expired offer for a proposed award without reopening negotiations. Sublette Elec., Inc., B-232586, Nov. 30, 1988, 88-2 CPD ¶ 540. Regardless of whether Ocean Technology's employee had authority to extend Ocean Technology's proposal, the Navy was not required to issue a formal amendment extending offers.

With respect to whether the Navy was required to seek new cost or pricing data, a certificate of current cost or pricing data is generally not required when the contracting officer determines that prices submitted are based on "adequate price competition." FAR § 15.804-3(a)(1). Adequate price competition exists if two or more responsible offerors submit offers meeting the government's requirements and the contract is to be awarded to the offeror submitting the lowest evaluated price. FAR § 15.804-3(b). Here, the solicitation stated that it was expected that award would be based upon a determination that there is adequate price competition so offerors were not required to submit cost or pricing data with their proposals. The contracting officer received three proposals and found that the awardee's price proposal was reasonable. Accordingly, the contracting officer's award to MRC was proper.

The protest is dismissed.



Robert M. Strong  
Associate General Counsel